

## COUNTY EXECUTIVE'S 2007 BUDGET

DEPT: STATE SHARED TAXES

UNIT NO. 1993\*  
FUND: General - 0001

### OPERATING AUTHORITY & PURPOSE

Pursuant to Chapter 79 of the Wisconsin Statutes, the State apportions Shared Revenues to counties on the basis of population, equalized property values, the relative ranking of local purpose

revenues, and the value of utility property (at 3 mills times the equalized value for incorporated areas within the county).

BUDGET SUMMARY			
	2005 <u>Actual</u>	2006 <u>Budget</u>	2007 <u>Budget</u>
State Shared Taxes	\$ 37,119,068	\$ 37,098,572	\$ 37,082,280

<u>STATISTICAL SUPPORTING DATA</u>	2005 <u>Actual</u>	2006 <u>Budget</u>	2007 <u>Budget</u>
Base Payment	\$ 56,341,506	\$ 56,341,505	\$ 56,341,505
Prior Year Adjusting Entry	0	0	0
Utility Payment	878,862	858,367	842,075
County Mandate Relief	0	0	0
Subtotal State Shared Taxes	\$ 57,220,368	\$ 57,199,872	\$ 57,183,580
State Child Welfare Reallocation	(20,101,300)	(20,101,300)	(20,101,300)
Emergency Medical Services	(12,459,700)	(1,334,707)	(768,600)
Emergency Medical Services	12,459,700	1,334,707	768,600
Total State Shared Taxes	\$ 37,119,068	\$ 37,098,572	\$ 37,082,280

The State has modified the State Shared Revenue (State Shared Taxes) formula so that the previous year's base, plus the utility payment, determines the budgeted amount. The base amount is net of the per capita amount (explained later in this narrative). The budgeted amount for 2007 is \$37,082,280.

#### Utility Payment Component

The utility payment component compensates local governments for costs they incur in providing services to public utilities. These costs cannot be directly recouped through property taxation since utilities are exempt from local taxation and, instead, are taxed by the State.

Payments to cities and villages are computed at a rate of six mills (\$6 per \$1,000 of net book value), while payments to towns are computed at a rate of three mills. Payments to counties are computed at three mills if the property is located in a city or village or at six mills if the property is located in a town. The estimated utility payment component for 2007 is

\$842,075, which is a slight decrease from the 2006 Budget.

#### Per Capita Reduction

In addition to the modification to the formula, the State Budget Adjustment Bill, in compliance with 2001 Wisconsin Act 109 for the 2001-2002 State Biennial Budget, reduced State Shared Revenue by \$40 million on a per capita basis and allocated \$20 million each to municipalities and counties, which resulted in an estimated decrease of \$3,429,147 for Milwaukee County in 2005. The 2007 base revenue for State Shared Revenue remains at the 2006 level.

#### Supplemental Payment

It is anticipated that State Shared Revenue payments will be reduced by an amount equal to a new supplemental payment begun in November 2003 to governments that provide emergency transportation service. The State Department of Health and Family Services has been directed to try and capture additional Federal Medical Assistance

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funding based on actual claims submitted by service providers in the previous fiscal year. For 2007, Milwaukee County's State Shared Revenue payment to Emergency Medical Services will be \$768,600, which is the actual amount for 2005. This allocation will be offset by a supplemental payment for the same amount.

### State Child Welfare Reallocation

In accordance with Wisconsin State Statute 48.561(3), the Wisconsin Department of Administration has reallocated \$20,101,300 in State Shared Revenue to the State's Child Welfare Program. These funds are for the purpose of defraying the State costs for program administration.

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